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Attorneys for Defendants
 INTERSTATE MANAGEMENT COMPANY, LLC; INTERSTATE HOTELS & RESORTS,
 INC.

UNITED STATES DISTRICT COURT

IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA

HOTEL & RESTAURANT EMPLOYEES)
 HEALTH & WELFARE TRUST FUND; EAST)
 BAY RESTAURANT & TAVERN)
 RETIREMENT PLAN; BILL BACIGALUPI,)
 in his official capacity as Trustee; JAMES DU)
 PONT, in his official capacity as Trustee; LIAN)
 ALAN, in his official capacity as Trustee;)
 MARK CLEMENT, in his official capacity as)
 Trustee; DOUGLAS CORNFORD, in his)
 official capacity as Trustee; THERESA)
 ERWIN, in her official capacity as Trustee,)
 WE-LING HUBER, in her official as Trustee;)
 and IVANA KRJCINOVIC, in her official)
 capacity as Trustee;)

Case No. C09-04998 BZ

**ANSWER TO COMPLAINT FOR
 DELINQUENT FRINGE BENEFIT
 CONTRIBUTIONS (ERISA §§ 502,515)**

Plaintiffs,

v.

INTERSTATE HOTELS & RESORTS, INC.;)
 INTERSTATE MANAGEMENT COMPANY,)
 LLC, dba CLAREMONT RESORT AND SPA;)

Defendants.

Pursuant to Federal Rules of Civil Procedure Rule 8(b), Defendant INTERSTATE
 MANAGEMENT COMPANY, LLC ("Defendant IMC") and Defendant INTERSTATE
 HOTELS & RESORTS, INC. ("Defendant IHR") hereby answer and respond to Plaintiffs'

1 Complaint as follows. Except as specifically admitted below, Defendants deny the allegations in
2 the Complaint.

3 **I. JURISDICTION AND VENUE**

- 4 1. Deny.
- 5 2. Admit.
- 6 3. Admit

7 **II. PARTIES**

8 **A. PLAINTIFFS**

9 4. Defendants lack knowledge and information sufficient to form a belief as to the
10 truth of the allegations herein, and consequently, deny the same.

11 5. Defendants lack knowledge and information sufficient to form a belief as to the
12 truth of the allegations herein, and consequently, deny the same.

13 6. Defendants lack knowledge and information sufficient to form a belief as to the
14 truth of the allegations herein, and consequently, deny the same.

15 **B. DEFENDANTS**

- 16 7. Deny.

17 8. Defendant IMC admits that it is a Delaware liability company but denies that it
18 was an agent of Interstate Hotels and Resorts, Inc. ("IHR"). Defendant IHR is simply a holding
19 company with a 1% ownership interest in IMC, and is not a proper party to this case. Except as
20 so stated, Defendants deny the allegations contained in this paragraph.

21 **III. STATEMENT OF FACTS**

22 9. Defendant IMC admits it entered into the Claremont MOU. Defendants,
23 however, deny that Defendant IMC that it was acting as an agent of Defendant IHR. Except as
24 so stated, Defendants deny the allegations contained in this paragraph.

25 10. Defendant IMC admits that the Claremont MOU provided that certain employer
26 contributions had to be made by Defendant IMC to the fund under certain circumstances. Except
27 as so stated, Defendants deny the allegations contained in this paragraph.

11. Defendant IMC admits that the Claremont MOU obligated it to make some contributions to the fund at certain times under certain circumstances. Except as so stated, Defendant IMC denies the allegation contained herein.

12. Defendant hereby admits that on or about September 8, 2007, someone on behalf of the fund performed an "audit" on the property known as the Claremont Hotel and Spa for the period of January 1, 2006 through January 31, 2007. Defendant IMC further admits that the "audit" found purported contribution deficiencies, but denies it is liable for those deficiencies. Except as so stated, Defendant IMC denies the allegation contained herein.

13. Defendant IMC admits that it received a bill from the funds' auditor on or about September 30, 2008, asserting an alleged liability in the amounts noted. Except as so stated, Defendant IMC denies the allegation contained herein.

14. Defendants lack knowledge and information sufficient to form a belief as to the truth of the allegations herein, and consequently, deny the same.

IV. CAUSE OF ACTION

FIRST CLAIM

FAILURE TO MAKE BENEFIT CONTRIBUTIONS

(29 U.S.C. §§ 1132(a)(3)(B)(ii) and 1132(g)(2)(e))

15. Defendant IMC denies it is liable for delinquent fringe benefit contributions. Defendant IMC admits the Plaintiffs purport to make a claim for alleged contributions under the statutory provisions noted. Except as so stated, Defendant IMC denies the allegations contained herein.

16. Deny.

AFFIRMATIVE DEFENSES

First Affirmative Defense

(Laches & Unclean Hands)

1. Plaintiffs' claim is barred by the doctrine of laches and unclean hands.

Second Affirmative Defense

(Mandatory Arbitration)

2. Plaintiffs' claim is subject to binding mandatory arbitration.

Third Affirmative Defense

(Satisfaction)

3. Defendant IMC has satisfied some or all of the alleged liability.

Fourth Affirmative Defense

(12(b)(6) Failure to State a Claim)

4. Plaintiffs have failed to state a claim upon which relief may be granted.

Fifth Affirmative Defense

(Limitations Period)

5. Plaintiffs' claim is barred by the applicable statute of limitations.

Sixth Affirmative Defense

(Failure to Exhaust)

6. Plaintiffs have failed to exhaust contractual pre-requisites to the claim.

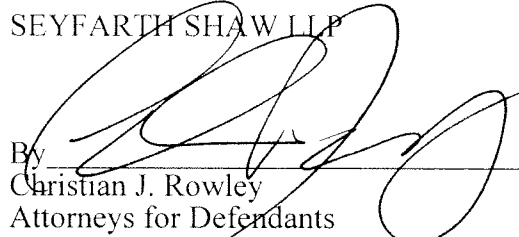
PRAYER FOR RELIEF

Based on the foregoing Defendants respectfully asks that the Court:

1. Dismiss Plaintiffs' Complaint in its entirety and enter judgment in their favor.
2. Award them their reasonable costs and attorneys' fees.

DATED: December 7, 2009

SEYFARTH SHAW LLP

By 
Christian J. Rowley
Attorneys for Defendants
INTERSTATE MANAGEMENT
COMPANY, LLC; INTERSTATE
HOTELS & RESORTS, INC.